

AMENDED IN SENATE JUNE 22, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2545

Introduced by Assembly Member De La Torre

February 19, 2010

An act to add Section 41127.9 to the Revenue and Taxation Code, relating to telecommunications.

LEGISLATIVE COUNSEL’S DIGEST

AB 2545, as amended, De La Torre. Emergency Telephone Users Surcharge Act: ~~prepaid-communications~~ *mobile telecommunications* service.

Existing provisions of the Warren-911-Emergency Assistance Act establish the number “911” as the primary emergency telephone number of use in the state. The existing Emergency Telephone Users Surcharge Act generally imposes a surcharge on amounts paid by every person in the state for intrastate telephone service that is imposed at a percentage rate, not less than 0.5% nor more than 0.75% as annually estimated to provide revenues sufficient to fund “911” emergency telephone system costs for the current fiscal year. Surcharge amounts are paid to the State Board of Equalization on a monthly basis by the telephone service supplier and are deposited into the State Treasury to the credit of the State Emergency Telephone Number Account in the General Fund. Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including telephone corporations, except to the extent regulation of commercial mobile radio service is preempted by federal regulation.

This bill would require the PUC to open proceedings or expand the scope of existing proceedings to determine an equitable manner for

~~mobile telephony service providers to collect~~ *collection of* the surcharge from users of prepaid-~~communications~~ *mobile telecommunications* services, and would require the PUC to advise the board of its determination.

This bill would also make legislative findings and declarations regarding equitable contributions to the funding of 911 systems by consumers of prepaid-~~communications~~ *mobile telecommunications* services.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Legislature finds and declares the
- 2 following:
- 3 (1) Maintaining effective and efficient 911 systems across the
- 4 state benefits all citizens.
- 5 (2) 911 fees imposed upon consumers of communications
- 6 services that have the ability to dial 911 are an important funding
- 7 mechanism to assist state and local governments with the
- 8 deployment of enhanced 911 services to the citizens of this state.
- 9 (3) Prepaid-~~communications~~ *mobile telecommunications* services
- 10 are an important segment of the communications industry and
- 11 should bear an equitable part of the responsibility for the funding
- 12 of the 911 system.
- 13 (4) Consumers purchase prepaid-~~communications~~ *mobile*
- 14 *telecommunications* services at a wide variety of retail locations
- 15 and other distribution channels, as well as through service
- 16 providers.
- 17 (5) To ensure equitable contributions to the funding of 911
- 18 systems from consumers of prepaid-~~communications~~ *mobile*
- 19 *telecommunications* services, there should be clarity and
- 20 standardization with respect to the collection and payment
- 21 obligations of 911 surcharges for prepaid-~~communications~~ *mobile*
- 22 *telecommunications* services.
- 23 (6) Current law also requires several public purpose surcharges
- 24 and user fees to be collected from end users and remitted to the
- 25 Public Utilities Commission.
- 26 (7) The Public Utilities Commission has the body of experience
- 27 and comparative advantage over the State Board of Equalization

1 regarding the collection of surcharges for prepaid communications
2 services.

3 SEC. 2. Section 41127.9 is added to the Revenue and Taxation
4 Code, to read:

5 41127.9. (a) The Public Utilities Commission shall open
6 proceedings or expand the scope of existing proceedings to
7 ~~determine an equitable manner for mobile telephony service~~
8 ~~providers to collect the surcharge from users of prepaid~~
9 ~~communications~~ *determine an equitable manner for collection of*
10 *the surcharge from users of prepaid mobile telecommunications*
11 services. The commission shall advise the State Board of
12 Equalization of its determination.

13 (b) For purposes of this section, all of the following shall apply:

14 (1) ~~“Prepaid communications service” includes both prepaid~~
15 ~~calling card telephone service and prepaid wireless service as~~
16 ~~follows:~~

17 (A) ~~“Prepaid calling card service” means the right to access~~
18 ~~exclusively telecommunications services, which must be paid for~~
19 ~~in advance and which enables the origination of calls using an~~
20 ~~access number or authorization code, whether manually or~~
21 ~~electronically dialed, and that is sold in predetermined units or~~
22 ~~dollars of which the number declines with use in a known amount.~~

23 (B) ~~“Prepaid wireless calling service” means a~~
24 ~~telecommunications service that provides the right to utilize mobile~~
25 ~~wireless service as well as other nontelecommunications services,~~
26 ~~including the downloading of digital products delivered~~
27 ~~electronically, content, and ancillary services, which must be paid~~
28 ~~for in advance that is sold in predetermined units or dollars of~~
29 ~~which the number declines with use in a known amount.~~

30 (2) ~~“Mobile telephony service provider” means a provider of~~
31 ~~mobile telephony service as defined in subdivision (d) of Section~~
32 ~~224.4 of the Public Utilities Code.~~

33 (1) *“Prepaid mobile telecommunications service” means a*
34 *telecommunications service or product that must be paid for in*
35 *advance that provides the right to utilize mobile*
36 *telecommunications service and that is sold in predetermined units*
37 *or dollars of which the number declines with use in a known*
38 *amount.*

- 1 (2) *“Mobile telecommunications service” means commercial*
- 2 *mobile radio service, as defined in Section 20.3 of Title 47 of the*
- 3 *Code of the Federal Regulations, as in effect on June 1, 1999.*

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